

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF NEW YORK  
(BUFFALO DIVISION)

.....  
In re

TLC HEALTH NETWORK

**Case No. 1-13-13294-CLB**  
Chapter 11 Proceedings

.....  
Debtor.  
.....

**NOTICE OF AUCTION AND SALE**  
**HEARING FOR SALE OF DEBTOR'S ASSETS**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. Pursuant to the Order Granting Motion of TLC Health Network ("TLC" or the "Debtor") to (A) (I) Establish Bid and Sale Procedures, Under §§ 105(a), 363(b), (f), and (m), 365, and 1146(c), and Federal Rules of Bankruptcy Procedure 2002, 6004, and 6006, for the Sale Free and Clear of Liens, Claims, Encumbrances, and Interests of Substantially All of Debtor's Assets; (II) Scheduling a Hearing on the Approval of the Sale; and (III) Approving the Form and Manner of Notice of the Sale; and (B) Authorizing the Assumption and Assignment of Designated Contracts (the "Procedures Order") dated June 10, 2014 and entered by the United States Bankruptcy Court for the Western District of New York (the "Bankruptcy Court") on June 11, 2014, the Debtor is seeking authority to sell substantially all of its assets (the "Assets") related to its health care services and related businesses prior to confirmation of a Chapter 11 plan.

2. All interested parties are invited to make offers for the Assets, individually or as part of the package, in accordance with the terms and conditions approved by the Bankruptcy Court (the "Bidding Procedures"). Pursuant to the Bidding Procedures, the Debtor will conduct an auction for the Assets, individually or as packages (the "Auction"), beginning on **July 15, 2015 at 10:00 a.m. (Prevailing Eastern Time)** at the office of Bond, Schoeneck & King PLLC, 40 Fountain Plaza, Suite 600, Buffalo, New York 14202.

3. Participation at the Auction is subject to the Bidding Procedures and the Procedures Order. Any person that wishes to participate in the bidding process must become a "Qualified Bidder". The procedures for being deemed a Qualified Bidder are contained in the Procedures Order. Anyone interested in pursuing a bid for the Debtor's assets or desires a copy of the Motion, the proposed agreement, and the Procedures Order must contact Menter, Rudin & Trivelpiece, P.C., 308 Maltbie Street, Suite 200, Syracuse, New York 13204-1439, Attn: Jeffrey A. Dove, Esq. (Telephone No. 315-474-7541) or jdove@menterlaw.com.

4. A Qualified Bidder that desires to make a bid shall deliver written copies of its bid to: (i) TLC Health Network, 845 Routes 5 and 20, Irving, New York 14081-9706, Attn: John Galati, Interim CEO; (ii) counsel to the Debtor, Menter, Rudin & Trivelpiece, P.C., 308 Maltbie Street, Suite 200, Syracuse, New York 13204-1439, Attn: Jeffrey A. Dove, Esq., (Fax No. 315-474-4040); and (iii) counsel for the Creditors' Committee, Bond, Schoeneck & King, PLLC, One Lincoln Center, 110 West Fayette Street, Syracuse, New York 13202-1355, Attn:

Stephen A. Donato, Esq., in each case so as to be received not later than **5:00 p.m. (Prevailing Eastern Time) on July 11, 2014** (the “Bid Deadline”).

5. A hearing to approve the Sale (the “Sale Hearing”) to any Successful Bidder will be held on **July 17, 2014 at 1:00 p.m. (Prevailing Eastern Time)**, before the Honorable Carl L. Bucki, Chief United States Bankruptcy Judge, in the United States Bankruptcy Court for the Western District of New York, Buffalo Division, Part II, 300 Pearl Street, Buffalo, New York

6. Although the Debtor is unable to predict whether any class of creditors other than its secured creditors will benefit from the proceeds of sale, the Debtor believes that the only possibility of realizing proceeds in excess of the amount of its secured debt, which approximates \$2.4 million, is through the Sale. In addition to its secured debt, the Debtor estimates that it owes unsecured creditors approximately \$5 million.

7. All of the Debtor’s material assets are being offered for sale at the Auction and it is not expected that assets of any significant value, other than accounts receivable, will remain in the Debtor’s estate after any sale approved by the Court closes.

8. The Debtor believes that the sale of its Assets pursuant to the procedures described above is in the best interests of its estate as it has insufficient operating income and no financial ability to maintain its Assets or business pending confirmation of a plan.

9. This notice is qualified in its entirety by the Procedures Order.

Dated: Syracuse, New York  
June 12, 2014

Respectfully submitted,

**MENTER, RUDIN & TRIVELPIECE, P.C.**  
*Attorneys for the Debtor and Debtor in Possession*

By: /s/Jeffrey A. Dove

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